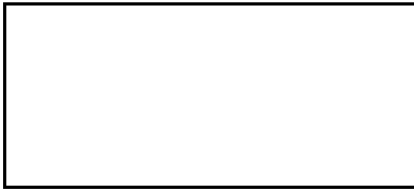


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CENTRAL INTELLIGENCE BULLETIN



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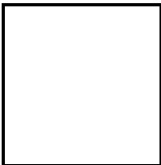
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*Argentina: Meetings of Peronista leaders in Montevideo as well as in Buenos Aires suggest that the Peronista high command is planning positive steps to make good its threat to fight repressive measures by the armed forces, even at the cost of civil war. Ex-General Raul Tanco, who led the abortive Peronista revolution in June 1956, reportedly received a call in late March to proceed to Montevideo from his exile in Mexico. Alberto Iturbe, president of the Coordinating Board of the Peronista party, is conferring with Peron in Madrid. [REDACTED]

[REDACTED] the Peronistas have received arms and will take action against the government on or before 1 May. The General Confederation of Labor, half of whose secretariat are Peronistas, issued a communiqué on 29 March stating that there can be no internal or social peace as long as the rights of free expression and organization are suppressed. The arrival in Montevideo on 29 March of Rogelio Frigerio, who has been ex-President Frondizi's main liaison with the Peronistas, suggests that he may again be trying to promote cooperation between Frondizi and the Peronistas.]

[The Brazilian Government announced on 30 March that the problem of recognition of the new Argentine regime did not arise. A communiqué stated that "the succession was carried out in accordance with legal precepts, in that the legitimate successor is the president of the Senate." It added that Brasilia considers the present situation in Argentina "not only a de facto one but one of right." In contrast, the daily Jornal do Brasil, which is influenced by the Foreign Ministry, asked if the Argentine military elements would receive the same treatment under the Alliance for Progress as do legally constituted governments.] [REDACTED]

USSR - Berlin Access: The USSR, while maintaining its activities in the air corridors, now appears to be focusing its attention on Western ground access and military liaison missions in East Germany. Further attempts to induce the West to give advance notification of military convoys transiting the autobahn may be accompanied in the near future by moves to terminate both the Soviet mission in Frankfurt and the Western missions in Potsdam.

25X1  Although the East German interzonal trade negotiator on 27 March told his West German counterpart that reports of a forthcoming ban on week-end truck traffic to West Berlin were erroneous, the East Germans may soon initiate such a ban, using the excuse that the autobahn is overburdened with passenger vehicles.

The pattern of Soviet flight activities in the Berlin air corridors over the past two weeks suggests that Moscow is satisfied with the limited gains achieved thus far and does not contemplate any major new moves on air access in the near future. The vigorous Western reaction to corridor harassments probably convinced the Soviets that any increase of pressures in this area would jeopardize the bilateral talks with the US at Geneva. While the Soviets probably will continue their efforts to establish a position of equality with the West in use of the air corridors, their apparent satisfaction with the outcome of the Rusk-Gromyko exchanges may lead them to maintain their relatively cautious and restrained tactics in this area.

*The USSR announced cancellation of the eight transport flights scheduled in the central corridor for 30 March about one and one-half hours after the first aircraft was to have entered the corridor. No explanation was given for the cancellation. Weather during the period of the announced flights did not appear to be a factor. Twice previously Soviet flight plans have been canceled. On 14 March, the same flights were

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promptly rescheduled for two days later. On 19 March original plans for flights for the next day were canceled, and new plans were submitted two hours later.

*The USSR has not announced any transport flights in the Berlin corridors for 31 March. This is the first time since 19 March that the Soviets have not scheduled flights for a day that has normally been used for such activity.

[Backup, Page 1]

USSR - Nuclear Test Ban: [Krishna Menon reportedly has told Nehru that Soviet delegates at the Geneva disarmament conference had privately indicated interest in his proposal to supplement "national" detection systems within the USSR and Western countries with detection posts on non-aligned territories. He feels the USSR's failure to endorse his plan publicly is due to open US opposition to it. He expressed the belief that later in the conference the Soviets are likely to support the proposal and that "this will place the US in an extremely difficult position with regard to the neutral countries."]

[The Soviet delegation has firmly reiterated that a test ban agreement is possible only on the basis of the USSR's proposal to ban tests using national detection means. The Soviets might endorse Menon's proposal for the record if they became convinced that US-British opposition to such an approach would remain unchanged. A Pravda official in Geneva remarked privately to a US correspondent that the test ban issue would probably remain at an impasse no matter what "proposed formulas others come up with."]

France-Algeria:

[] expect the OAS to continue anti-government activity in Algiers and Oran until OAS military

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25X1 [redacted] Leaders around Salan are liquidated. The government is said to feel that the OAS can still cause considerable damage and will probably make a desperate attempt to assassinate some members of the provisional executive, which held its first session in Algeria on 30 March.

[redacted] The OAS has shifted its activity to hit-and-run terrorism and sabotage. French engineers in the Saharan oil fields, who have in the past obeyed strike orders issued by the OAS from Algiers, are reportedly willing to burn wells and blow up installations if the OAS so orders. The army may have more difficulty in defeating such tactics than in suppressing direct attacks. [redacted]

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*Syria: The membership of the junta which asserted its authority this week in Damascus may change abruptly in the near future. Radical leftist officer elements whose pressure caused the army command to oust the civilian regime have not been given a prominent role; senior and more conservative army leaders remain as spokesmen for the regime. The radical officers consequently may attempt to seize control for themselves. UAR clandestine radiobroadcasts, attempting to exploit radical sentiment in Syria, have recently called on the Syrian Army to oppose any dilution of socialist policies and to press for unity with the UAR. [REDACTED]

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Iran-US: [REDACTED] Leaders of the opposition National Front are advising Iranian students in the United States to use restraint in any demonstrations against the Shah during his visit to this country which begins on 10 April. Allahyar Saleh, one of the more moderate of the party's leaders, is requesting that the students avoid personal insults to the Shah. The Front, however, is leaving the students free to make their own decisions as to when and where to hold demonstrations.]

[REDACTED] The leaders of the Iranian Student Association in the US do not agree on the tactics to be followed during the Shah's visit. The president of the association suggested on 23 March that the students attempt to obtain concessions from the Iranian Government for refraining from demonstrations. Only a small number of the approximately 5,000 Iranian students in the United States are likely to participate in any demonstrations. Iranian students are characteristically volatile, however, and disturbances could occur in connection with even a small demonstration. [REDACTED]

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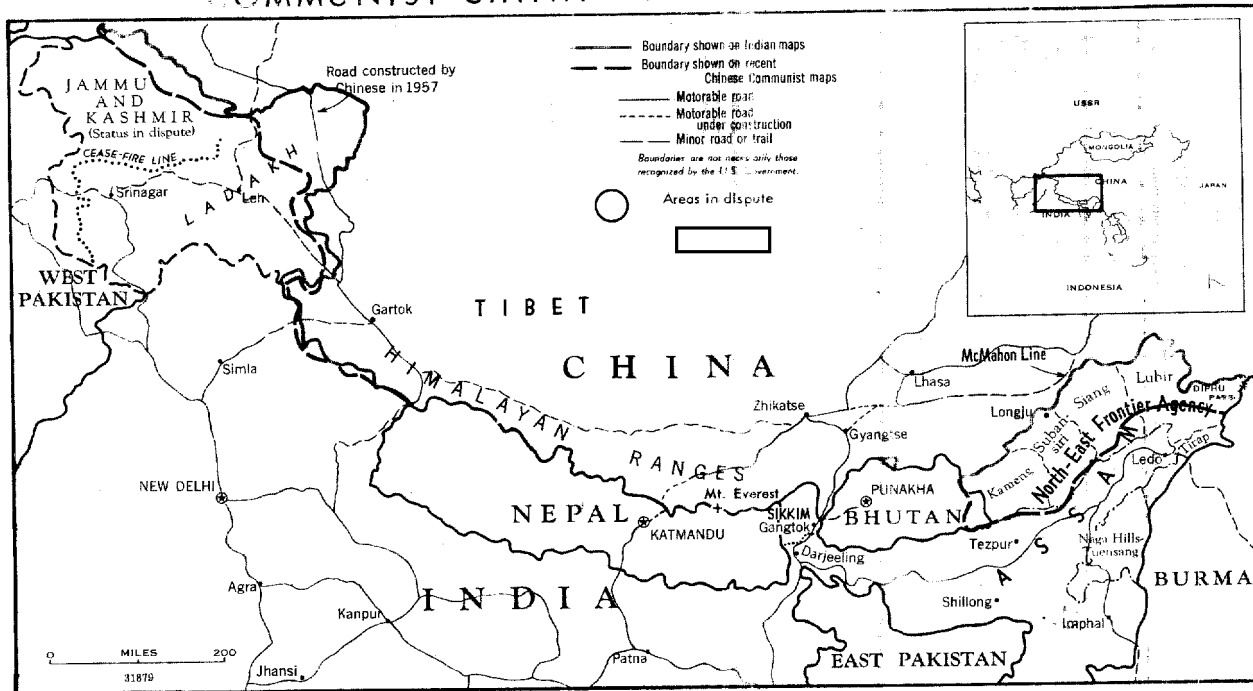
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COMMUNIST CHINA - INDIA BORDER AREA



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Communist China - India: [Communist China has indicated that it may be willing to modify its previous proposals to settle the Sino-Indian border dispute. In recent discussions with Chinese diplomats in Geneva, Indian Foreign Secretary Desai again rejected Peiping's old proposal for a compromise solution under which Peiping would renounce its claims to India's northeastern frontier area in return for acceptance of Communist China's holdings in Ladakh. The Chinese countered with intimations that they might give up a portion of their claims to territory in Ladakh and might also permit India to use the road which Peiping has built across Ladakh. The Indians believe the Chinese want to settle the boundary problem if only because the impasse is subjecting Peiping to criticism within the international Communist movement and in countries of Asia where China is trying to extend its influence. New Delhi's growing belief that its bargaining position is improving probably accounts for its uncompromisingly hard line in recently published diplomatic correspondence and in Nehru's public remarks.]

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Situation Report--Taiwan Strait: [Peiping continues to avoid displays that might create a sense of urgency over the Taiwan issue, and the "liberate Taiwan" theme has received only passing allusion in Chinese Communist statements during the past year. Although shelling of the Offshore Islands by Chinese Communist shore batteries was resumed last December after a three-month lull--the longest since 1958--the firing has been relatively light and confined to shells containing propaganda rather than high explosives. Peiping's armed forces can, however, launch attacks on the Offshore Islands with little or no warning. Implementation of recent Chinese Nationalist plans for paramilitary operations against the mainland might precipitate retaliatory attacks on the Offshore Islands.]

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*Ecuador: President Carlos Arosemena

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[redacted] intends to break diplomatic relations with Cuba soon. He prefers, however, that the action appear to be in response to popular demand rather than to military pressure--such as that attempted by the Cuenca garrison which had issued an "ultimatum" the day before demanding a break. Arosemena has asked the leaders of non-Communist groups to arrange public demonstrations favoring a break with Cuba. Leaders of six political parties, including three heretofore uncommitted, plan to present formal demands for a break, and anti-Castro demonstrations are reportedly being organized for today.

In a press conference last evening, Arosemena denounced the "alien influence" of Castroism in Ecuador and the non-democratic sentiments "deliberately and maliciously fomented" by Castroite agents. He called for a plebiscite to "decide whether we are to sever relations with the present Cuban regime."

Arosemena also announced that all nine members of his cabinet had offered their resignations. This collective action apparently was a pro forma move designed to demonstrate publicly the President's control of the government. Arosemena refused to accept the resignations of six of the cabinet members, and will replace the three who presumably opposed a break with Cuba or who felt that the President should make the decision on relations with Cuba without a plebiscite. [redacted]

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Communist Efforts to Erode Western Access Rights

[The USSR has long regarded the military liaison missions as anachronisms left over from the period of the military occupation of Germany. Ulbricht's recent speech in which he pointed out the "abnormal situation in which NATO military personnel travel about in the GDR capital and in our country just like on American territory" may foreshadow early moves to bring about the withdrawal of the Western missions from Potsdam.]

25X1 [The Soviets may use the recent incidents in East Germany involving the US and British missions to press for the termination of both the Soviet and Western missions. They may respond to the recent US action in suspending the activities of the US mission in Potsdam and applying restrictions on the Soviet mission in Frankfurt by unilaterally withdrawing the Soviet mission and demanding that the Western missions also be withdrawn. Alternatively, the USSR may send notes to the three Western powers proposing termination of all four missions on the ground that the purposes for which they were established no longer exist. The Soviets would regard termination of the missions as additional support for their contention that all vestiges of the "occupation regime" in Berlin and Germany should be abolished.]

[Soviet tactics in the air corridors from the outset of the harassments on 8 February have been aimed at creating a situation which would support the USSR's broader objectives of obtaining new arrangements on the status of West Berlin and access to the city which could be interpreted as de facto Western recognition of East German sovereignty. In seeking to change the procedures and flight practices in the corridors, Moscow has been attempting to establish its right to use the corridors on a basis of complete equality with the West and, in this way, to undermine the original purpose of the corridors as channels for unrestricted Western access to Berlin.]

[The Soviets apparently believe that if they can extend bloc control in the corridors and bring air access procedures more]

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[redacted]

into line with ground access procedures, these changes will place the USSR and the GDR in a much stronger bargaining position for demanding new access arrangements which would "respect" GDR sovereignty. Soviet activities in the corridors, together with continuing Communist efforts to erode Western access rights on the ground, are also aimed at preparing for an eventual transfer to the East Germans of controls over all forms of access [redacted]

[redacted]

[redacted]

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Sino-Indian Border Discussions

The contact between Indian Foreign Secretary Desai and the Chinese at Geneva is the latest in a continuing dialogue carried on by the Indians and the Chinese behind the vituperation of their public allegations and denials. Other discussions during the past year were held in Peiping and Phnom Penh, as well as in Geneva. The talks will continue in Geneva in April when another high-ranking Indian diplomat, R. K. Nehru, arrives to spell Desai. R. K. Nehru held informal talks with Chinese leaders during a stopover in Peiping last July.

The Indians have maintained that while they will not close the door to negotiations with the Chinese, there is little point in holding formal discussions on a high level--regularly proposed by Peiping--so long as there is no sign that Chinese policies on the border have changed. [redacted] however, both sides have sought to keep the channels for informal communication open in order to detect any changes of attitudes. The report of a possible softening in the Chinese position on Ladakh is just the sort of sign the Indians have hoped that time and their own hard line would bring. The Chinese offer itself is not acceptable to the Indians, but New Delhi--confident of its bargaining position--will want to explore the offer to see how much higher a price the Chinese will be willing to pay for a settlement.

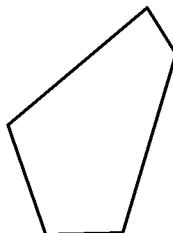
Peiping has come to find the border problem a liability in its relations with other Communist parties and members of the bloc, which believe the Chinese are unnecessarily antagonizing the Indians. At the 22nd Soviet party congress the Chinese reportedly were criticized for their Indian policies and accused of driving Nehru further toward the West. The Chinese themselves are concerned about the growing popular support in India for a more militant approach to the border issue and, while affirming their intentions to maintain their outposts, are probably anxious to reduce the likelihood of further armed clashes. They apparently hope that there will eventually be a diminution in Indian nationalist sentiment on the border dispute which will permit New Delhi to agree to Peiping's retention of a sizable portion of Ladakh and the strategic road which crosses its north-east corner.) [redacted]

Situation Report: Taiwan Strait

[Chinese Communist statements made in late 1960 and early 1961 apparently still reflect Peiping's thinking on the issue. At that time, regime spokesmen seized several opportunities to profess that mainland forces "would not start an attack" on Taiwan and to suggest that it might take as long as 30 years to settle the issue in a manner acceptable to Mao.]



[Communist China might not get Taiwan "for a long time." On several occasions, Foreign Minister Chen Yi has publicly suggested that Taiwan and other outstanding issues dividing Communist China and the United States might not be settled soon. He has also asserted that any improvement in Sino-American relations is predicated on the withdrawal of US military forces from the Taiwan Strait.]



[Chinese Communist policy is evidently based on the fact that Peiping alone lacks sufficient armed strength for a showdown with the US over Taiwan and that little support can be expected now from Moscow for an attempt to resolve the issue by military action. The problem of the Chinese Communists is to design political tactics which advance their objectives while obscuring their hesitancy about a military showdown. To this end, Peiping refuses to renounce the use of force in the Taiwan Strait, while it seeks to promote Chinese Nationalist disaffection with US policy.]

[Peiping probably calculates that friction between the Chinese Nationalists and the US may develop to the point where some sort of deal could be worked out with Chiang Kai-shek or his successors.]



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